

Sample EOC Civics and Economics Questions
Competency Goal 9

1. How do economists define *real gross domestic product*?
 - a. the value of all final goods and services produced during a single year
 - b. the value of all final goods and services produced during a single year adjusted for inflation
 - c. the value of all final goods and services produced over the course of a specified number of years
 - d. the value of all capital goods and service produced during a single year adjusted for inflation
2. The economy tends to grow over time, but it does not grow at a constant rate. Which term describes the alternating periods of an economy's growth and decline?
 - a. business expansion
 - b. peak
 - c. recession
 - d. business cycle
3. When are economic peaks most likely to occur?
 - a. during a period of prosperity when the economy reaches its highest point of expansion
 - b. during a period in which real GDP continuously declines
 - c. during a period of relative economic stability
 - d. during a period in which real GDP continuously increases
4. What term do economists use to describe the part of the business cycle in which a country's output does not grow for at least 6 months?
 - a. decline
 - b. expansion
 - c. depression
 - d. recession
5. The Consumer Price Index (CPI) is a list of prices for about 400 products commonly used by consumers. Which of the following most accurately describes what the CPI is used for?
 - a. to determine the unemployment rate
 - b. to determine the effects of fiscal policy
 - c. to determine the rate of inflation
 - d. to determine whether the value of stocks are expected to increase

6. The government cuts taxes, hoping that with more money in their pockets people will buy more goods and services. Which term describes the type of policy used by the government in this scenario?
 - a. monetary policy
 - b. fiscal policy
 - c. labor policy
 - d. income policy
7. Which term describes a tax rate that is lower for people with lower incomes and higher for people with higher incomes?
 - a. regressive
 - b. ingressive
 - c. progressive
 - d. retrogressive
8. What was the basic purpose of the Sherman Antitrust Act of 1890?
 - a. to prevent competition among businesses
 - b. to protect consumers from monopolies
 - c. to promote corporate mergers
 - d. to force businesses to succumb to government regulations
9. In 2000, Firestone pulled more than 14.4 million tires that contained a safety-related defect off the market. Which term do economists use to describe this situation?
 - a. recall
 - b. retribution
 - c. recollect
 - d. revocation
10. Which of the following is the *main* focus of affirmative action?
 - a. workplace safety
 - b. product safety
 - c. hiring practices
 - d. fringe benefits
11. Which of the following terms best describes a scenario in which a company subcontracts another company to produce a particular good or perform a particular function?
 - a. shirking
 - b. outsourcing
 - c. consumerism
 - d. investing

12. What action could the US government reasonably take in order to protect domestic steel producers from competition from steel producers in other countries?
- require citizens to purchase domestic products
 - allow free trade among countries
 - lower the cost of production for American companies
 - impose a tariff on steel produced outside the US
13. What is the *main* purpose of a quota?
- to reduce prices of foreign goods and services
 - to limit the amount of foreign goods imported
 - to increase the prices of domestic goods and services abroad
 - to increase the prices of foreign goods and services
14. The European Union (EU) would best be categorized as which of the following?
- a barrier to trade
 - a regional trade agreement
 - a world economy
 - a country
15. Which term describes the condition of a country whose value of the products it imports exceeds the value of products it exports?
- trade deficit
 - trade surplus
 - trade balance
 - exchange rate
16. With regard to its balance of trade, how is a nation most likely to respond if its currency depreciates?
- increase imports
 - decrease exports
 - increase exports
 - by doing nothing
17. Which of the following is an example of a trade sanction?
- the OPEC Oil Embargo
 - the Clean Air and Water Act
 - détente
 - the Central American Free Trade Agreement
18. A developing country has which of the following characteristics?
- an undeveloped economic base, low per capita income, and a low standard of living
 - a developed economic base, low per capita income, and a low standard of living
 - an undeveloped economic base, high per capita income, and a high standard of living
 - a developed economic base, high per capita income, and a high standard of living

19. Which of the following organization's purpose is to offer advice and financial assistance to developing nations across the globe?
- a. the European Union (EU)
 - b. the Bank of America
 - c. the United Nations Security Council
 - d. the International Monetary Fund (IMF)
20. Industrialization across the globe has led to pollution. Which term is used to describe the limitation of the use of polluting resources?
- a. sanction
 - b. conservation
 - c. foreign aid
 - d. global warming

Answer Key

1. B
2. D
3. A
4. D
5. C
6. B
7. C
8. B
9. A
10. C
11. B
12. D
13. B
14. B
15. A
16. C
17. A
18. A
19. D
20. B